The Story of Captain Midnight

It started out as just another Saturday. April 26, 1986. John R. MacDougall, 25, spent the day alone at his satellite TV dealership in Ocala, Florida, waiting for customers who never came. "It was," he says, "a normal day in the doldrums of the satellite TV industry." But that night, MacDougall, 5 feet 11, 225 pounds, and prone to nervously running his fingers through his reddish blond hair and adjusting his glasses, would transform into Captain Midnight and set the world of satellite television spinning.

Business had been flat since January 15, when Home Box Office became the first pay TV service to scramble its signal full time. Other services were following HBO's lead. Dish owners were balking at the cost of descramblers and program fees. Potential customers were confused and stayed away in droves.The 1985 boom in dish sales had simply petered out, and MacDougall Electronics, in business for just two-and-a-half years, had seen its early profits disappear.

American Dream

MacDougall had stopped advertising and turned off his air-conditioner to save money. With no customers, he idled away the day watching TV and reading magazines. Later, he would say, "I have been watching the great American dream slip from my grasp."

To make ends meet, MacDougall spent his evenings moonlighting as a part-time operations engineer at Central Florida Teleport, a local company that uplinks services to satellites. He was a natural electronics engineer. A good student, he had spent his spare time during his teenage years tinkering with CB radios and automobiles. With some pals, he rebuilt a 1923 Ford roadster that he still owns. He had dropped out of a management engineering course at Worcester Polytechnical Institute in Massachusetts after two years, but his first job was installing satellite TV dishes."My father used to tell me I would need to get a job where I would be able to make money by watching TV just because I liked TV so much," he says. At Central Florida Teleport, he could do just that. At 4 p.m. on that Saturday, MacDougall shut up shop. He stopped at his home, where he lived alone, picked up a sandwich for supper, and then reported to the teleport. After two hours, a second engineer went off duty and MacDougall was alone in the small building that is flanked on one side by five large satellite dishes.

As the end of his shift drew near, MacDougall was absently watching Pee-Wee's Big Adventure, a movie he was uplinking for the now-defunct pay-per-view service, People's Choice. But something else was on his mind. When the film ended, MacDougall went through the normal routine. Before logging off, he set up color bars and punched buttons to swing the giant 30 foot dish he'd been using to its resting place. That was necessary because the soil beneath the dish's cement pad is sandy clay. Rainfall could throw it off-kilter, but by setting it in a certain way the rain runs harmlessly into a gutter. At its resting place, the dish points directly at the satellite Galaxy 1. Transpondedr 23 on that satellite carries the eastern feed of HBO. "That's when I decided to do it,"says MacDougall. "It wasn't like I thought about it, 'Yes. No. Yes. No.' It was just, 'Yeah!'" He scrolled up a character generator, and electronic keyboard that puts letters across the TV screen, and tried to think what to write. "I didn't know exactly how to start it," he says. "I wrote 'Goodevening." I wanted to be polite. I didn't want it to be vulgar or call them names or anything. That's not my style."

He spent a couple of minutes composing his message. The idea of using the name Captain Midnight, he says, "just popped into my mind." He had recently seen a movie with that title about a teenager who had a pirate radio station in his van. Now HBO was airing the Sean Penn and Timothy Hutton espionage movie, The Falcon and the Snowman. It was at 12:32 a.m. Sunday, April 27, that John R. MacDougall pushed the transmit button on his console and turned into Captain Midnight. "That's when I hit it," he says. "It was almost like an out-of-body experience. It was like I was there but I wasn't really there."

For 4 1/2 minutes, HBO viewers in the eastern United States saw this message:

> GOODEVENING HBO
> FROM CAPTAIN MIDNIGHT
> $12.95/MONTH?
> NO WAY!
> (SHOWTIME/MOVIE CHANNEL BEWARE)

A week earlier, MacDougall had successfully overridden HBO's powerful signal momentarily with just a test pattern. (He now publicly denies this, but he admitted it to a United States attorney.) The network had quickly brushed that signal aside, attributing it to not uncommon accidental interference. This time, the engineer on duty at HBO's Long Island, New York, uplink station simply stepped up the signal's power. HBO was transmitting at 125 watts. When Captain Midnight applied more power, the HBO engineer revved up to match it. "He saw the interference and saw that he was losing a grip on things," says George Dillon, an engineer who investigated the episode for the enforcement and investigative division of the Federal Communications Commission. "This little game took 60 to 90 seconds. You had these two people at their respective stations fighting for control."

As Captain Midnight's signal surged, HBO placed a frantic call to Hughes Communications Inc., which owns Galaxy 1, asking: "Is there something wrong with the bird?" Says Dillon, "HBO thought it might cause damage to the satellite, so they gave it up.

NEVER LOST CONTROL

In Ocala, Captain Midnight was stunned. "I could see my signal on top of HBO's as soon as I hit the transmit button," says MacDougall. "I stared at the monitor for a while, and then I didn't know if it was two minutes or 10 minutes." Caught up with engineering curiosity, he monitored power levels and downlink signals. "At no time," he says, "did I lose control over the transponder." But then, as suddenly as he had struck, he quit. "When I shut it off, I really didn't know how long I had been on top of HBO, but that's when I started to feel very guilty," he says. "I thought, "Ohmigod, what did I do?' That thought raced through my mind for the next 10 or 15 minutes as I reconfigured the teleport back to normal. The guilt really set in that night. I didn't sleep very well."

On Sunday morning he woke up to the same nagging doubts. "I thought maybe I should turn myself in. But then I thought, 'Well, let's be rational. Nobody's going to see it. Nobody cares. HBO will know. They'll get the message. They'll reconsider their arbitrary and unfair pricing, and maybe I'll read about it in a few months in Satellite Orbit. That's basically how I rationalized, not panicking, and went on with my daily routine that Sunday.'

Then he saw that Captain Midnight's HBO ambush was making TV's network newscasts, and he began to panic. "I was devastated and so nervous with frustration. I had to work that night

at the teleport. Another man was going to be there for the first two hours. When he got there I had to pretend and say things like, "Dkid you see this guy Captain Midnight? Geez, do you realize what in the world, he could have done?' That was difficult."

Normally, MacDougall's natural curiosity would have made him the first to want to discuss how it was done. But as the event made national headlines and became fodder for jokes by David Letterman and Johnny Carson, he went the other way, trying to play it down. The tension grew as HBO clamored for his head, and the FCC and even Congress got involved.

On April 28, HBO chairman Michael J. Fuchs wrote to the FCC saying that the company had received calls threatening to move Galaxy 1 into a new orbit. He urged the Commission to "use all its investigative resources" to capture Captain Midnight.

"This wasn't just a jamming, but a jamming and replacement. And a fascinating one at that," says HBO spokesman Alan Levy. "That's why you saw a lot of action on this case. We understand that the dish owners are at odds with the programmers, but when you escalate it to this point, it gets a little wild and woolly. And when you're breaking the satellite system of the United States, it's very serious."

FCC investigator Dillon says the implications of the incident involved a threat to the national security. "There's lots of highly sensitive data involved. If you have a bandit, it could disrupt the business of the United States--things like defense communications, medical information, telephone communications, and teleconferences.

Edgar Eagan, owner of Central Florida Teleport, took the incident very seriously. "He logged out and signed the log and decided to stay and play," says Eagan, founder and past president of ESPN, the sports network. "In reality he was using the equipment for an unauthorized and illegal purpose."

RUMORS GALORE

As the investigation proceeded, rumors abounded. Satellite TV publications and television commentators received calls and tapes from people claiming to be Captain Midnight. The FBI was said to be on the case, and the hunt was rumored to focus on Dallas, Texas.

In Ocala, MacDougall had decided to "play it dumb." Discreetly, he talked to colleagues in the satellite TV business to find out how the investigation was going. But gradually he could not resist discussing the incident with other engineers and operators who talked about what happens when two signals meet on a single transponder. He was outraged when they dismissed his observations.

"I don't like to say this, but even the more skilled personnel were of the assumption that you would never get a clear signal with two signals feeding on the same channel," MacDougall says. "I brought out the fact that if one was much stronger than the other, it would override it. At that point they told me I was wrong, and that I didn't know what I was talking about.

"All of my life people have never taken my word for things because I've always seemed to be a little younger than they are, and maybe a little less experienced, but I've always come up with the right answer. They didn't seem to believe my theory. Well, I guess they ought to believe it now, because I was right."

THE TIP OFF

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https://archive.org/details/storyofcaptainmi00unse

It was a phone call made by a disgruntled dish owner from Ocala that concentrated the FCC's investigation on the Central Florida Teleport. Someone claiming to be Captain Midnight was overheard by a tourist from Wisconsin at a phone booth just off Interstate 75 in Gainesville, Florida. The tourist reported the conversation and the man's license plate number to the FCC. MacDougall says the impostor was a customer of his, but he doesn't know his last name. Again, he was outraged. "He was very militant about scrambling and the cable progra business, and not tried to make out like some kind of hero, I would still be panicking and wondering whether they were going to come and get me."

MacDougall's voice rises as he exclaims, "I still can't believe this guy actually told people he was Captain Midnight and MacDougall says the only time he broke the law was driving over the 55 mph speed limit. "I never even bought beer under age. I was a model citizen," he says earnestly.

FCC MOVES IN

In July, FCC investigators talked to MacDougall, asking questions that led him to believe they knew what had happened. He told them he hadn't done it, and that he had no knowledge of the incident, but then he really began to worry. "I was very concerned about it, but I didn't let on," he says. "I'm able to hide my feelings very well. I can just about convince people I'm a total raving maniac at the same time."

Two weeks later, the FCC returned. This time, they brought along U.S. Attorney Lawrence Gentile III, who served MacDougall with a subpoena to appear in U.S. District Court in Jacksonville. According to MacDougall, their conversation went like this:

"What's this for?" MacDougall asked when Gentile held out the subpoena.

"Captain Midnight," answered Gentile. "Aren't you aware that you're a suspect in this incident?"

"You're trying to tell me that just because I'm a satellite dish dealer and I happened to work for a teleport, I'm a suspect? responded MacDougall.

"There are other things," replied Gentile.

"Well, what are they?" asked MacDougall.

"We can't discuss it here," said Gentile. "We can talk about it in front of the grand jury. You need to think very carefully about this. You seem like a level-headed man, but you don't seem to be taking this seriously. This is a serious time. You might want to consult with an attorney."

"Attorney for what?" questioned MacDougall. "I haven't done anything. An innocent man does not need an attorney. The only people who hire attorneys are guilty people."

According to MacDougall, Gentile then attempted to reach an agreement with him. "If you would be willing to talk to us about this and tell us what you know about this incident right now," said Gentile, "I'd be willing to recommend probation to the judge and a small fine. Probation and a fine are not bad considering what you're facing. Let's face it, Mr. MacDougall, this is not the crime of the century. However, we have been getting a lot of pressure on this."

MacDougall said at that point he began to think there was not enough evidence to convict him; otherwise he wouldn't have been offered a plea bargain. Still claiming innocence, MacDougall told Gentile he would see him in Jacksonville.

MacDougall's first brief jamming raid on HBO led investigators to strongly suspect him. The investigation had been narrowed down to uplink stations with the capacity to pull off both raids, and then to those manned by the same person at the time of each incident. "We had a very good idea he was our man," says Gentile. "Of all the people I talked with, he was the only one I gave target warnings to [the equivalent of the Miranda warnings police give when they make an arrest]. "He says he leaned on MacDougall "pretty hard."

MEET CAPTAIN MIDNIGHT

Taking Gentile's advice, MacDougall contacted an Ocala attorney, John Green Jr. When they first met, MacDougall recalls, "he said, 'Well, John, tell me about Captain Midnight.' And I reached out my hand and said, 'Well, here, that's me.'"

Green advised him that he had a 70-percent chance of winning the case. If convicted, he faced a $100,000 fine and/or one year in jail. But MacDougall decided to enter a plea of guilty. "There were two reasons," he said. "I could release my guilt, plead guilty, and get it over with, do the right thing. That kept panging at me: do the right thing. But the other side, the activist, kept saying, 'Stand up for your rights.' My idealism and my activism were combating my conservative upbringing and my conservative political leanings. They were battling back and forth, and I was at my wits' end. I didn't know what to do."

MacDougall also worried about going before the grand jury and trying to lie his way out of the charge. "I would not have wanted to take a midemeanor and make it a felony by committing perjury," he says. In the end, the determining factor was money. Green advised his client that going to trial could take 6 to 12 months and cost $30,000 to $40,000. "During that time," MacDougall says, "I couldn't have said anything, and I would have been bombarded by the press. It would have been a nightmare."

Fighting and then losing the case was always a possibility, and MacDougall conjured up nightmares of what that might entail. "This was a federal penitentiary they could have sent me to," he said. "The concept just didn't register, to be sitting eating lunch with the other convicts in striped uniforms, and a guy says, 'Hey, what are you in for?" And I say, 'Oh, I operated a trnsmitter without a license.' I couldn't take the risk."

FUN EDUCATION

By the time he went to the federal court on July 22 and went through the arrest procedure, which included being photographed and fingerprinted, MacDougall's curiosity was back in full force. "If I hadn't been directly involved, it probably would have been a fun educational experience," he says. "You can't just plead guilty to a crime. It's hours and hours of discussion, and you have to prove to the prosecutor, and also the judge, that you are guilty. Then, you have to prove you weren't coerced into making the statement, and that you have knowledge of your rights." MacDougall says officials at both the July 22 hearing and the sentencing, on August 26, were surprisingly cordial. He speaks of smiles, handshakes from marshals, and understanding from U.S. Magistrate Howard T. Snyder, who fined him $5,000 and placed him on one year's probation. "I'm glad to see that the legal system does work," he says.

Meanwhile, although convicted in court, MacDougall had become a hero to many dish owners and satellite TV dealers. A group calling itself the Captain Midnight Grassroots Coalition had formed and was selling bumper stickers, T-shirts, visors, and sweat bands to raise money for MacDougall's legal costs. Said Donald Cochran, spokesman for the coalition: "While there are those who consider Captain Midnight a criminal for his unauthorized transmissions, there is another group made up of home satellite dish owners, small business people, and rebels, who support his actions as a non-violent and non-destructive protest in the best American tradition."

THE RIGHT REASONS

MacDougall says he has had no direct involvement with the coalition, but he adds, "I would like to see my own industry support me in this. Even though I may have done more harm than good, as some people think, I did it for the right reasons."

Central Florida Teleport owner Eagan, on the other hand, says that local opinion in Ocala and surrounding Marion County has gotten "silly." When the coalition presented MacDougall with its first donation, a check for $500, in September, a crowd gathered outside his office, and drivers of passing cars and pickup trucks honked their horns. Says Eagan, "There's a group of people here who think that John MacDougall is a wonderful man and a great hero who has done wonderful things for them. But to me, that has not been placed in the perspective of the world view or even the regional view. Ninety-nine and nine tenths [percent] of the people don't agree."

Eagan says the only positive thing to come out of the incident was that MacDougall was in the home dish business and so there was at least a reason for him to have done it. "If it had been some crackpot who did it just for the hell of it, or an employee being vindictive, then the corporate community would have been more upset. This way they can say, 'We're not the target, HBO was.'"

Still, the FCC is stepping up security. It has moved to require that by the end of 1987 every radio and television transmitter must use an electronic name tag whenever it is on the air. Each satellite uplink station would leave a unique, unchangeable electronic signature whenever it was used. Also, a bill is being drafted in Congress that would raise the penalty for satellite interference to a $250,000 fine and/or 10 years in jail.

SCRAMBLING A REALITY

HBO's Levy says that now that scrambling is a reality, he believes consumers are dropping their emotional resistance to it. "We were the first ones to scramble," he says. "We got the arrows in the back and we were the ones to get jammed. We're over the first hurdle. HBO wants its products in every home in America. We are attempting to increase our business through home dish owners. We're calling for the marketplace to set the price. It wouldn't make sense for HBO to stifle its growth.

MacDougall says he never contested the right of HBO and other programmers to make a profit from their programs, nor did he object to their right to protect those profits by scrambling signals. "My real concern is that the free and competitive marketplace be allowed to operate for the benefit of the American people," he says. Now, he believes that the last line of Captain Midnight's message [Showtime/Movie Channel Beware!] was misunderstood and

got him into a lot of trouble. "It was a bad choice of words on my part," he says. "I was just trying to tell them: "Look before you leap. Don't follow HBO as the leader.'"

It was, he says, the act of a frustrated individual who was trying to get his point across to people who didn't seem to listen. He hopes no one will try to imitate what he did: "The message is now out; there's no reason to do it again."

MacDougall was born in Elmhurst, Illinois, just outside Chicago. His mother, Thelma is a homemaker, and his father, Robert, was a successful building contractor, who retired when MacDougall was 9. The youngest of three brothers and one sister, MacDougall moved to Florida with his family shortly after his father's retirement at the age of 47. MacDougall speaks often of his father. Although his entire family supported him after the HBO incident, he says, "My father is of the old school, a very staunch conservative: the law is the law, and it should never be broken."

WAS IT WORTH IT?

MacDougall says he doesn't know now if playing Captain Midnight was worth it all: "I might be able to better answer that in a couple of months." He intends to write a book about the incident and plans to continue holding on with his satellite TV business in Ocala. He says that like many small businessmen, he didn't start off with enough money, although he did turn a profit in his first year. "I'm losing money now and a good businessman doesn't lose money," he admits. "I didn't buy expensive food. I bought cheap gas for my car. I cut everything I could and I'm still losing. Now, I can barely plan a month ahead because of the volatile changes in the business. You never know what's going to happen the next day."

MacDougall believes in himself, although he says he's not a great salesman. He lost his job at the Central Florida Teleport before he was revealed as Captain Midnight, because People's Choice went off the air. But all the publicity has resulted in more repair business from dish owners, and he says manufacturers return his calls quicker now. "There's a certain pride that goes into my systems," he says. "I sell a part of myself with each system."

For all his public declarations of regret, there is also an undeniable pride in having pulled off the notorious HBO raid. "Did I know it would work?" asks Captain Midnight.

"DEFINITELY!"